ANALOG DEVICES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(In thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	May 2, 2020	May 4, 2019	May 2, 2020	May 4, 2019
Revenue	$ 1,317,060	$ 1,526,602	$ 2,620,625	$ 3,067,703
Cost of sales	470,386	492,510	925,809	993,955
Gross margin	846,674	1,034,092	1,694,816	2,073,748
Operating expenses:				
Research & development	252,413	285,846	509,486	573,228
Selling, marketing, general and administrative	141,775	163,128	341,055	330,470
Amortization of intangibles	107,146	107,261	214,371	214,585
Special charges	1,320	8,162	12,456	29,944
Total operating expenses	502,654	564,397	1,077,368	1,148,227
Operating income	344,020	469,695	617,448	925,521
Nonoperating expense (income):				
Interest expense	49,985	59,701	98,798	118,429
Interest income	(1,334)	(2,928)	(3,274)	(5,616)
Other, net	308	4,525	646	4,365
	48,959	61,298	96,170	117,178
Income before income tax	295,061	408,397	521,278	808,343
Provision for income taxes	27,365	40,460	49,708	85,400
Net income	$ 267,696	$ 367,937	$ 471,570	$ 722,943
Shares used to compute earnings per common share - basic	368,217	369,246	368,229	368,974
Shares used to compute earnings per common share - diluted	371,305	373,342	371,784	372,912
Basic earnings per common share	$ 0.73	$ 0.99	$ 1.28	$ 1.95
Diluted earnings per common share	$ 0.72	$ 0.98	$ 1.27	$ 1.93

ANALOG DEVICES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands)

	May 2, 2020	Nov. 2, 2019
Cash & cash equivalents	$ 784,937	$ 648,322
Accounts receivable	588,244	635,136
Inventories	590,268	609,886
Other current assets	87,844	91,782
Total current assets	2,051,293	1,985,126
Net property, plant and equipment	1,189,332	1,219,989
Other investments	76,025	77,324
Goodwill	12,253,670	12,256,880
Intangible assets, net	3,928,902	4,217,224
Deferred tax assets	1,553,902	1,582,382
Other assets	297,814	53,716
Total assets	$ 21,350,938	$ 21,392,641
Other current liabilities	$ 1,133,057	$ 1,208,965
Debt, current	448,945	299,667
Long-term debt	5,142,223	5,192,252
Deferred income taxes	2,000,644	2,088,212
Other non-current liabilities	1,035,211	894,357
Shareholders' equity	11,590,858	11,709,188
Total liabilities & equity	$ 21,350,938	$ 21,392,641

ANALOG DEVICES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	Three Months Ended		Six Months Ended	
	May 2, 2020	**May 4, 2019**	**May 2, 2020**	**May 4, 2019**
Cash flows from operating activities:				
Net income	$ 267,696	$ 367,937	$ 471,570	$ 722,943
Adjustments to reconcile net income to net cash provided by operations:				
Depreciation	59,261	59,142	119,124	117,435
Amortization of intangibles	144,051	142,233	288,120	284,525
Stock-based compensation expense	35,900	40,229	73,401	76,622
Non-cash portion of special charge	—	—	—	4,367
Deferred income taxes	(21,408)	(37,495)	(35,390)	(21,843)
Non-cash contribution to charitable foundation	—	—	40,000	—
Other non-cash activity	1,469	11,736	3,801	18,429
Changes in operating assets and liabilities	(57,928)	87,100	(181,937)	(159,829)
Total adjustments	161,345	302,945	307,119	319,706
Net cash provided by operating activities	429,041	670,882	778,689	1,042,649
Percent of revenue	32.6 %	43.9 %	29.7 %	34.0 %
Cash flows from investing activities:				
Additions to property, plant and equipment	(60,161)	(75,209)	(115,000)	(166,202)
Changes in other assets	(1,391)	637	(1,284)	(4,585)
Net cash used for investing activities	(61,552)	(74,572)	(116,284)	(170,787)
Cash flows from financing activities:				
Proceeds from debt	395,646	—	395,646	—
Payments on revolver	(350,000)	—	(350,000)	(75,000)
Proceeds from revolver	350,000	—	350,000	75,000
Debt repayments	(300,000)	(250,000)	(300,000)	(350,000)
Dividend payments to shareholders	(228,600)	(199,501)	(427,760)	(377,217)
Repurchase of common stock	(113,584)	(101,522)	(219,614)	(328,615)
Proceeds from employee stock plans	14,784	67,678	30,897	86,907
Changes in other financing activities	(3,956)	(5,575)	(4,451)	(6,144)
Net cash used for financing activities	(235,710)	(488,920)	(525,282)	(975,069)
Effect of exchange rate changes on cash	(1,250)	347	(508)	217
Net increase (decrease) in cash and cash equivalents	130,529	107,737	136,615	(102,990)
Cash and cash equivalents at beginning of period	654,408	605,864	648,322	816,591
Cash and cash equivalents at end of period	$ 784,937	$ 713,601	$ 784,937	$ 713,601

ANALOG DEVICES, INC.
REVENUE TRENDS BY END MARKET
(Unaudited)
(In thousands)

The categorization of revenue by end market is determined using a variety of data points including the technical characteristics of the product, the “sold to” customer information, the "ship to" customer information and the end customer product or application into which our product will be incorporated. As data systems for capturing and tracking this data and our methodology evolve and improve, the categorization of products by end market can vary over time. When this occurs, we reclassify revenue by end market for prior periods. Such reclassifications typically do not materially change the sizing of, or the underlying trends of results within, each end market.

	Three Months Ended				
	May 2, 2020			May 4, 2019	
	Revenue	% of revenue*	Y/Y %	Revenue	% of revenue*
Industrial	$ 710,760	54%	(8)%	$ 771,359	51%
Communications	276,420	21%	(24)%	363,457	24%
Automotive	182,383	14%	(23)%	236,011	15%
Consumer	147,497	11%	(5)%	155,775	10%
Total revenue	**$ 1,317,060**	**100%**	**(14)%**	**$ 1,526,602**	**100%**

	Six Months Ended				
	May 2, 2020			May 4, 2019	
	Revenue	% of revenue*	Y/Y %	Revenue	% of revenue*
Industrial	$ 1,395,113	53%	(7)%	$ 1,503,331	49%
Communications	517,253	20%	(27)%	712,014	23%
Automotive	388,630	15%	(19)%	480,268	16%
Consumer	319,629	12%	(14)%	372,090	12%
Total revenue	**$ 2,620,625**	**100%**	**(15)%**	**$ 3,067,703**	**100%**

*The sum of the individual percentages may not equal the total due to rounding.

ANALOG DEVICES, INC.
RECONCILIATION OF GAAP TO NON-GAAP RESULTS
(Unaudited)
(In thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	May 2, 2020	May 4, 2019	May 2, 2020	May 4, 2019
Gross margin	$ 846,674	$ 1,034,092	$ 1,694,816	$ 2,073,748
Gross margin percentage	64.3 %	67.7 %	64.7 %	67.6 %
Acquisition related expenses	44,395	43,255	89,411	88,750
Adjusted gross margin	$ 891,069	$ 1,077,347	$ 1,784,227	$ 2,162,498
Adjusted gross margin percentage	67.7 %	70.6 %	68.1 %	70.5 %
Operating expenses	$ 502,654	$ 564,397	$ 1,077,368	$ 1,148,227
Percent of revenue	38.2 %	37.0 %	41.1 %	37.4 %
Acquisition related expenses	(111,057)	(112,824)	(222,838)	(222,656)
Charitable foundation contribution	—	—	(40,000)	—
Restructuring related expense	(1,320)	(8,162)	(12,456)	(29,944)
Adjusted operating expenses	$ 390,277	$ 443,411	$ 802,074	$ 895,627
Adjusted operating expenses percentage	29.6 %	29.0 %	30.6 %	29.2 %
Operating income	$ 344,020	$ 469,695	$ 617,448	$ 925,521
Operating margin	26.1 %	30.8 %	23.6 %	30.2 %
Acquisition related expenses	155,452	156,079	312,249	311,406
Charitable foundation contribution	—	—	40,000	—
Restructuring related expense	1,320	8,162	12,456	29,944
Adjusted operating income	$ 500,792	$ 633,936	$ 982,153	$ 1,266,871
Adjusted operating margin	38.0 %	41.5 %	37.5 %	41.3 %
Provision for income taxes	$ 27,365	$ 40,460	$ 49,708	$ 85,400
Income tax effect of adjustments above	21,867	22,740	50,147	47,640
Income tax from certain discrete tax items	—	—	—	12,560
Adjusted provision for income taxes	$ 49,232	$ 63,200	$ 99,855	$ 145,600
Income before income taxes	295,061	408,397	521,278	808,343
Effective tax rate	9.3 %	9.9 %	9.5 %	10.6 %
Acquisition related expenses	155,452	156,079	312,249	311,406
Charitable foundation contribution	—	—	40,000	—
Restructuring related expense	1,320	8,162	12,456	29,944
Adjusted income before income taxes	$ 451,833	$ 572,638	$ 885,983	$ 1,149,693
Adjusted tax rate	10.9 %	11.0 %	11.3 %	12.7 %
Diluted EPS	$ 0.72	$ 0.98	$ 1.27	$ 1.93
Acquisition related expenses	0.42	0.42	0.84	0.84
Charitable foundation contribution	—	—	0.11	—
Restructuring related expense	0.00	0.02	0.03	0.08
Income tax effect of adjustments above	(0.06)	(0.06)	(0.13)	(0.13)
Income tax from certain discrete tax items	—	—	—	(0.03)
Adjusted diluted EPS (1)	$ 1.08	$ 1.36	$ 2.11	$ 2.69

(1) The sum of the individual per share amounts may not equal the total due to rounding.

ANALOG DEVICES, INC.
RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO FREE CASH FLOW
(Unaudited)
(In thousands)

	Trailing Twelve Months	Three Months Ended			
	May 2, 2020	May 2, 2020	Feb. 1, 2020	Nov. 2, 2019	Aug. 3, 2019
Revenue	$5,543,987	$ 1,317,060	$ 1,303,565	$ 1,443,219	$ 1,480,143
Net cash provided by operating activities	$1,989,140	$ 429,041	$ 349,648	$ 657,905	$ 552,546
% of Revenue	36 %	33 %	27 %	46 %	37 %
Capital expenditures	$ (224,170)	$ (60,161)	$ (54,839)	$ (51,076)	$ (58,094)
Free cash flow	$1,764,970	$ 368,880	$ 294,809	$ 606,829	$ 494,452
% of Revenue	32 %	28 %	23 %	42 %	33 %

ANALOG DEVICES, INC.
RECONCILIATION OF PROJECTED GAAP TO NON-GAAP RESULTS
(Unaudited)

	Three Months Ending August 1, 2020	
	Reported	**Adjusted**
Revenue	$1.32 Billion	$1.32 Billion
	(+/- $70 Million)	(+/- $70 Million)
Operating margin	26.4%	38.3% (1)
	(+/-200 bps)	(+/-150 bps)
Nonoperating expense	~ $47 Million	~ $47 Million
Tax rate	11% to 12%	12% to 13% (2)
Earnings per share	$0.72	$1.08 (3)
	(+/- $0.11)	(+/- $0.11)

(1) Includes $157 million of adjustments related to acquisition related expenses as previously defined in the Non-GAAP Financial Information section of this press release.
(2) Includes $22 million of tax effects associated with the adjustment for acquisition related expenses above.
(3) Includes $0.36 of adjustments related to the net impact of $0.42 of acquisition related expenses and $0.06 of tax effects on those acquisition related expenses.

(ADI-WEB)

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